

MAYFIELD TOWN
FINANCIAL STATEMENTS
JUNE 30, 2005

C O N T E N T S

	Page
ACCOUNTANT'S REPORT	3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET ASSETS	16
STATEMENT OF ACTIVITIES	17
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET	18
BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS	19
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	20
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	21
STATEMENT OF NET ASSETS - PROPRIETARY FUND	22
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUND	23
STATEMENT OF CASH FLOWS - PROPRIETARY FUND	24
NOTES TO FINANCIAL STATEMENTS	25
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED):	
CONDITION RATING OF THE TOWN'S ROAD SYSTEM	43
BUDGETARY COMPARISON SCHEDULES:	
GENERAL FUND	44
MUNICIPAL BUILDING AUTHORITY	46
BUDGETARY COMPARISON SCHEDULE - BUDGET-TO-GAAP RECONCILIATION	47

Kimball & Roberts

Certified Public Accountants

A Professional Corporation

Box 663

Richfield, Utah 84701

Phone 896-6488

Honorable Mayor and Town Council
Mayfield Town
Mayfield, Utah 84643

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Mayfield Town as of and for the year ended June 30, 2005, which collectively comprise Mayfield Town's basic financial statements as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Mayfield Town.

A review consists principally of inquiries of Town personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management discussion and analysis, condition assessment of the Town's infrastructure and budgetary comparison information on pages 4 through 14, 43 and 44 through 47, are not a required part of the basic financial statements but are supplementary information required by the Governmental accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Respectfully submitted,



KIMBALL & ROBERTS, P. C.
Certified Public Accountants

July 15, 2005
Richfield, Utah

(This page contains no information and
is used to assist in formatting, for easier reading)

MAYFIELD TOWN MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion of Mayfield Town's financial performance provided an overview of the Town's financial activities for the year ending June 30, 2005. This report is in conjunction with the Town's financial statements.

The purpose of the Town is to provide general services to its residents which includes general government, public safety, public health, highways and public improvements, park and recreation, and cemetery.

Financial Highlights

- * The assets of Mayfield Town exceeded its liabilities as of the close of the most recent year by \$1,409,266 (net assets). Of this amount, \$179,229 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- * The government's total net assets increased by \$29,636. The revenues were less than the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts.
- * At the close of the current year, the Mayfield Town governmental funds reported combined ending fund balances of \$241,783, a decrease of \$3,591 in comparison with the prior year. Approximately 33 percent of this total amount, \$80,794 is available for spending at the government's discretion (unreserved fund balance).
- * At the end of the current year, unreserved fund balance for the general fund was \$80,794, or 111 percent of total general fund expenditures.
- * Mayfield Town total debt decreased by \$40,826 during the current year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Mayfield Town's basic financial statements. Mayfield Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Mayfield Town's finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of Mayfield Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Mayfield Town is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Mayfield Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Mayfield Town include general government, public safety, public health, highways and public improvements, parks and recreating, and cemetery. The business-type activity of Mayfield Town is the culinary water, sanitation and fire enterprise fund.

Refer to the table of contents for the location of the government-wide financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Mayfield Town like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Mayfield Town can be divided into two categories: governmental funds and enterprise funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Mayfield Town maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and special revenue fund (Municipal Building Authority) both are considered to be major funds.

Mayfield Town adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and the special revenue fund to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Proprietary Funds

Mayfield Town maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Mayfield Town uses an enterprise fund to account for culinary water fees, sanitation fees and fire protection fees.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the enterprise fund, which is considered to be a major fund of Mayfield Town.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those fund are *not* available to support Mayfield Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes To The Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Mayfield Town.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Mayfield Town's assets exceeded liabilities by \$1,409,266 at the close of the most recent fiscal year.

By far the largest portion of Mayfield Town's net assets (71 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. Mayfield Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Mayfield Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Mayfield Town's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and Other Assets	241,783	153,784	164,236	129,995	406,019	283,779
Capital Assets	453,700	467,723	944,805	972,915	1,398,505	1,440,638
Total Assets	695,483	621,507	1,109,041	1,102,910	1,804,524	1,724,417
Long-Term Liabilities	85,000	95,000	302,887	338,713	387,887	433,713
Other Liabilities	-	-	2,371	2,664	2,371	2,664
Total Liabilities	85,000	95,000	305,258	341,377	390,258	436,377
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	363,700	372,723	639,547	631,538	1,003,247	1,004,261
Restricted	160,989	174,984	65,801	44,061	226,790	219,045
Unrestricted	80,794	70,390	98,435	85,934	179,229	156,324
Total Net Assets	605,483	618,097	803,783	761,533	1,409,266	1,379,630

A portion of Mayfield Town's net assets (16 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$179,229) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, Mayfield Town is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental Activities

Governmental activities decreased Mayfield Town's net assets by \$12,614. Key elements of this decrease follows:

- * Operating grants decreased by \$5,020 due mainly to a decrease in C road funding of \$3,788 or 13 percent, a reduction of \$332 in liquor law funds.
- * Private contributions decreased by \$900 from the prior year. Contributions were received for the construction of the new Town Hall.
- * General government expenditures increased by \$21,796 due to rents paid and depreciation on capital assets.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Continued

Mayfield Town's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program Revenues:						
Charges for Services	18,446	9,215	131,147	86,790	149,593	96,005
Operating Grants and Contributions	25,666	30,686	0	25,000	25,666	55,686
General Revenues:						
Property Taxes	12,173	10,739	-	-	12,173	10,739
Other Taxes	36,274	33,201	-	-	36,274	33,201
Grants and Contributions Not Restricted to Specific Programs	-	-	-	-	-	-
Unrestricted Investment Earnings	3,519	2,601	3,813	2,612	7,332	5,213
Other	0	1,446	-	-	0	1,446
Total Revenues	96,078	87,888	134,960	114,402	231,038	202,290
Expenses:						
General Government	72,699	50,903	-	-	72,699	50,903
Public Safety	5,812	5,774	-	-	5,812	5,774
Highways and Public Improvements	16,955	15,732	-	-	16,955	15,732
Parks and Recreation	7,972	7,193	-	-	7,972	7,193
Cemetery	5,004	5,978	-	-	5,004	5,978
Interest on Long-Term Debt	250	250	-	-	250	250
Water, Sanitation, Fire Prctn.			92,710	115,975	92,710	115,975
Total Expenses	108,692	85,830	92,710	115,975	201,402	201,805
Increase in Net Assets Before Transfers	(12,614)	2,058	42,250	(1,573)	29,636	485
Transfers	-	-	-	-	-	-
Increase in Net Assets	(12,614)	2,058	42,250	(1,573)	29,636	485
Net Assets - Beginning	618,097	616,039	761,533	763,106	1,379,630	1,379,145
Net Assets - Ending	605,483	618,097	803,783	761,533	1,409,266	1,379,630

Business-Type Activities

Business-type activities increased Mayfield Town's net assets by \$42,250.

Key elements of this increase are as follows:

- * The revenues increased by \$44,357, operating grants decreased by \$25,000 and expenses decreased \$23,265. due to the repair of the Town's well in 2004. A grant of \$25,000 was received in 2004 from Community Impact Board to help defray the costs of the well repair.

General Fund Budgetary Highlights

Differences between the original budget \$106,581 and the final amended budget of \$114,841 can be briefly summarized as follows:

- * \$7,560 increase in general government.
- * \$700 increase in highways & streets.

Of this increase, \$35,841 was funded out of prior year unreserved fund balance. During the year, however, actual revenues were less than budgeted revenues by \$27,303 and actual expenditures were less than budgeted expenditures by \$42,353 resulting in a net increase in fund balance of \$15,050.

Capital Asset and Debt Administration

Capital Assets

Mayfield Town's investment in capital assets for its governmental activities as of June 30, 2005, was \$453,700 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure.

Also, the Town has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. That information can be found in the required supplemental information following the notes to the financial statements.

Mayfield Town's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	30,200	30,200	40,000	40,000	70,200	70,200
Water Rights			20,000	20,000	20,000	20,000
Infrastructure	124,000	124,000	-	-	124,000	124,000
Buildings	248,714	257,807	2,522	2,664	251,236	260,471
Improvements Other than Buildings	20,520	21,660	882,283	910,251	902,803	931,911
Equipment	30,266	34,056	-	-	30,266	34,056
Total	453,700	467,723	944,805	972,915	1,398,505	1,440,638

Additional information on Mayfield Town's capital assets can be found in the notes to the financial statements.

Long -Term Debt

At the end of the current year, Mayfield Town, Inc. had total bonded debt outstanding of \$392,887. The debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

	<u>Governmental</u> <u>Activities</u> <u>2005</u>	<u>Business -Type</u> <u>Activities</u> <u>2005</u>	<u>Total</u> <u>2005</u>
Revenue Bonds	<u>90,000</u>	<u>302,887</u>	<u>392,887</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 12 percent of its total fair market value of taxable property in the Town. Mayfield Town has no general obligation debt.

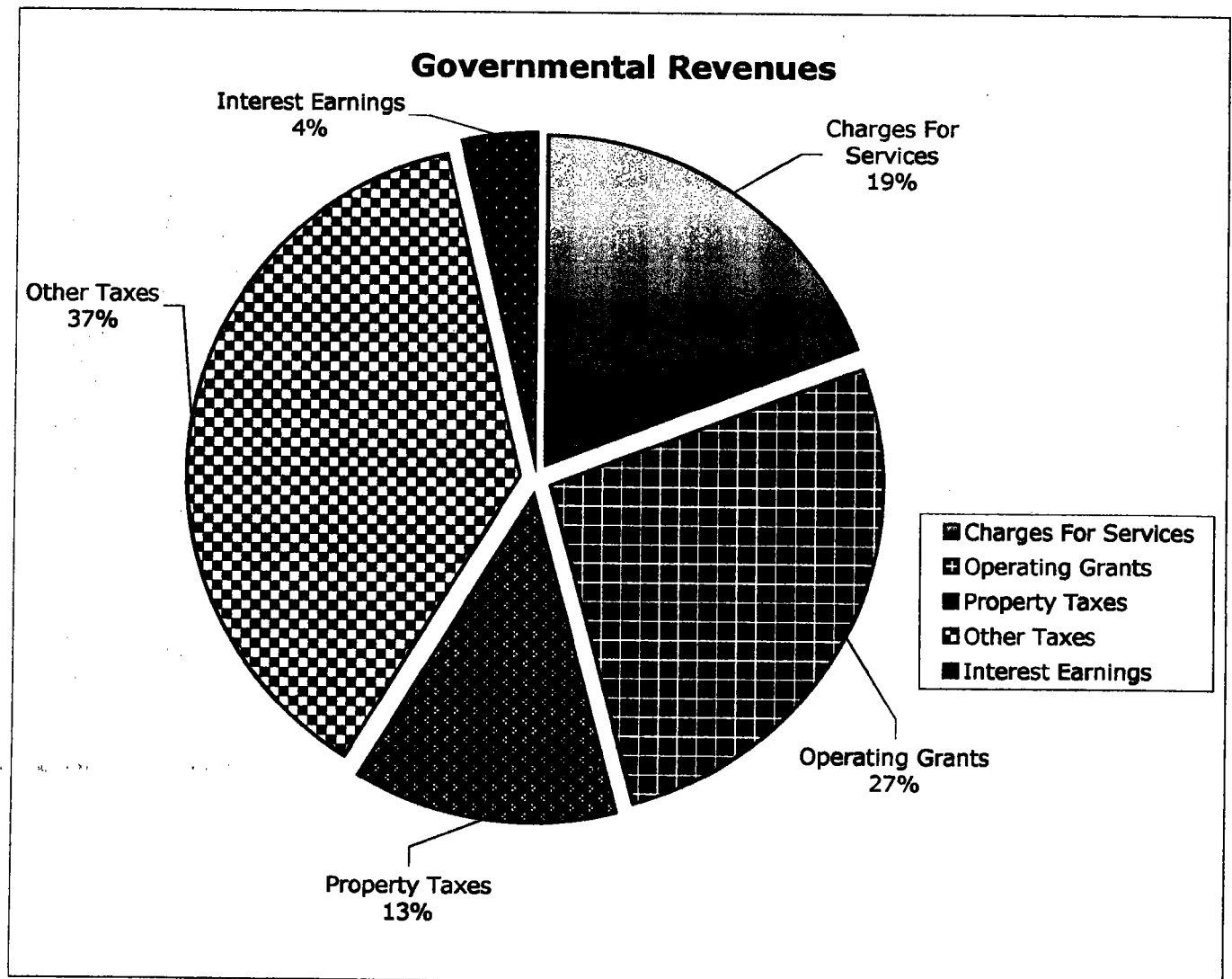
Additional information on Mayfield Town, Inc.'s long-term debt can be found in the notes of the financial statements.

Request for Information

This financial report is designed to provide a general overview of Mayfield Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Mayfield Town Clerk, Mayfield, Utah, 84643.

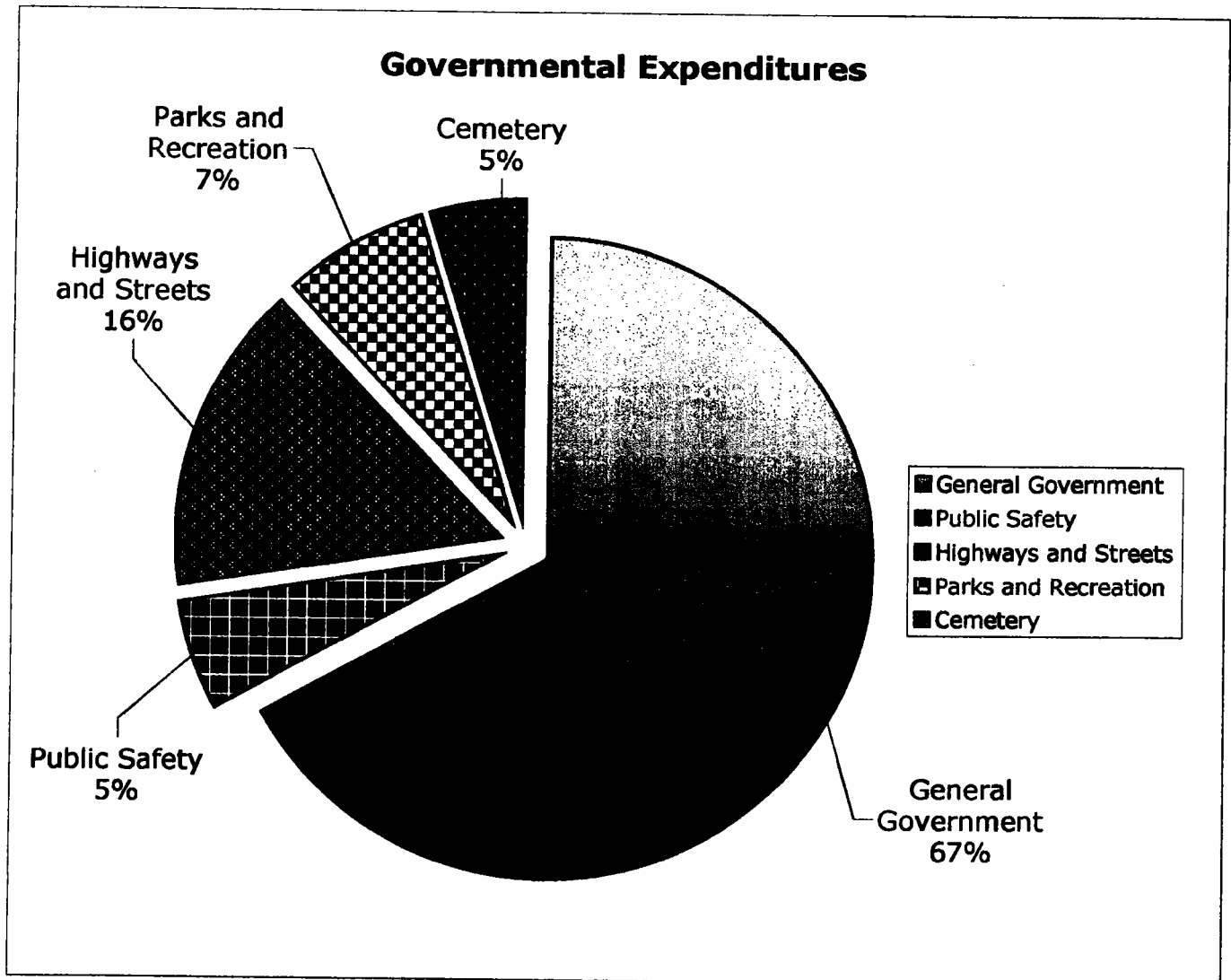
Mayfield Town
Governmental Funds Revenues
For the Fiscal Year Ended June 30, 2005

Charges For Services	18,446
Operating Grants	25,666
Property Taxes	12,173
Other Taxes	36,274
Interest Earnings	<u>3,519</u>
 Total Revenues	 <u><u>96,078</u></u>



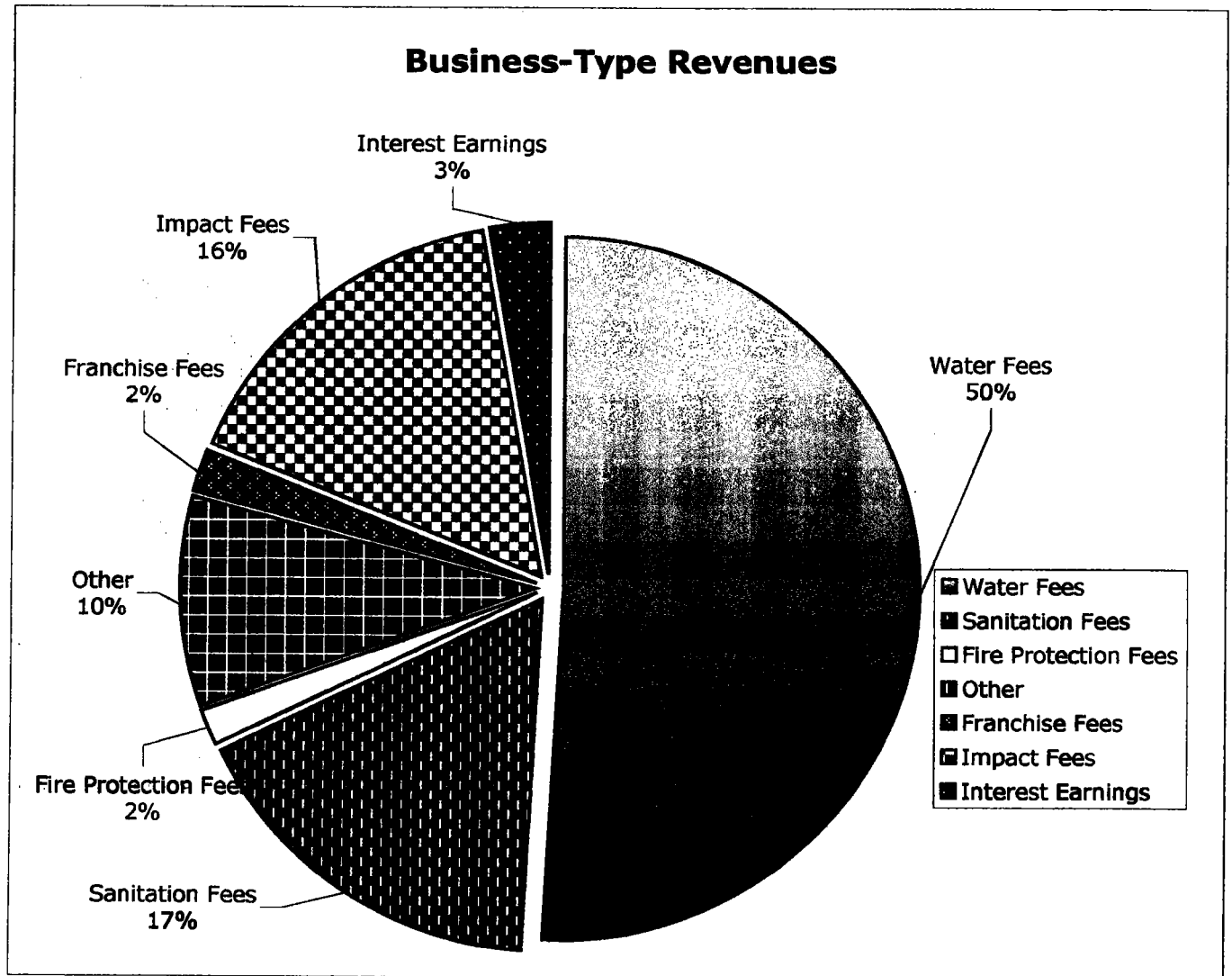
**Mayfield Town
Governmental Expenditures
For the Fiscal Year Ended June 30, 2005**

General Government	72,699
Public Safety	5,812
Highways and Streets	16,955
Parks and Recreation	7,972
Cemetery	<u>5,004</u>
 Total Expenditures	 <u><u>108,442</u></u>



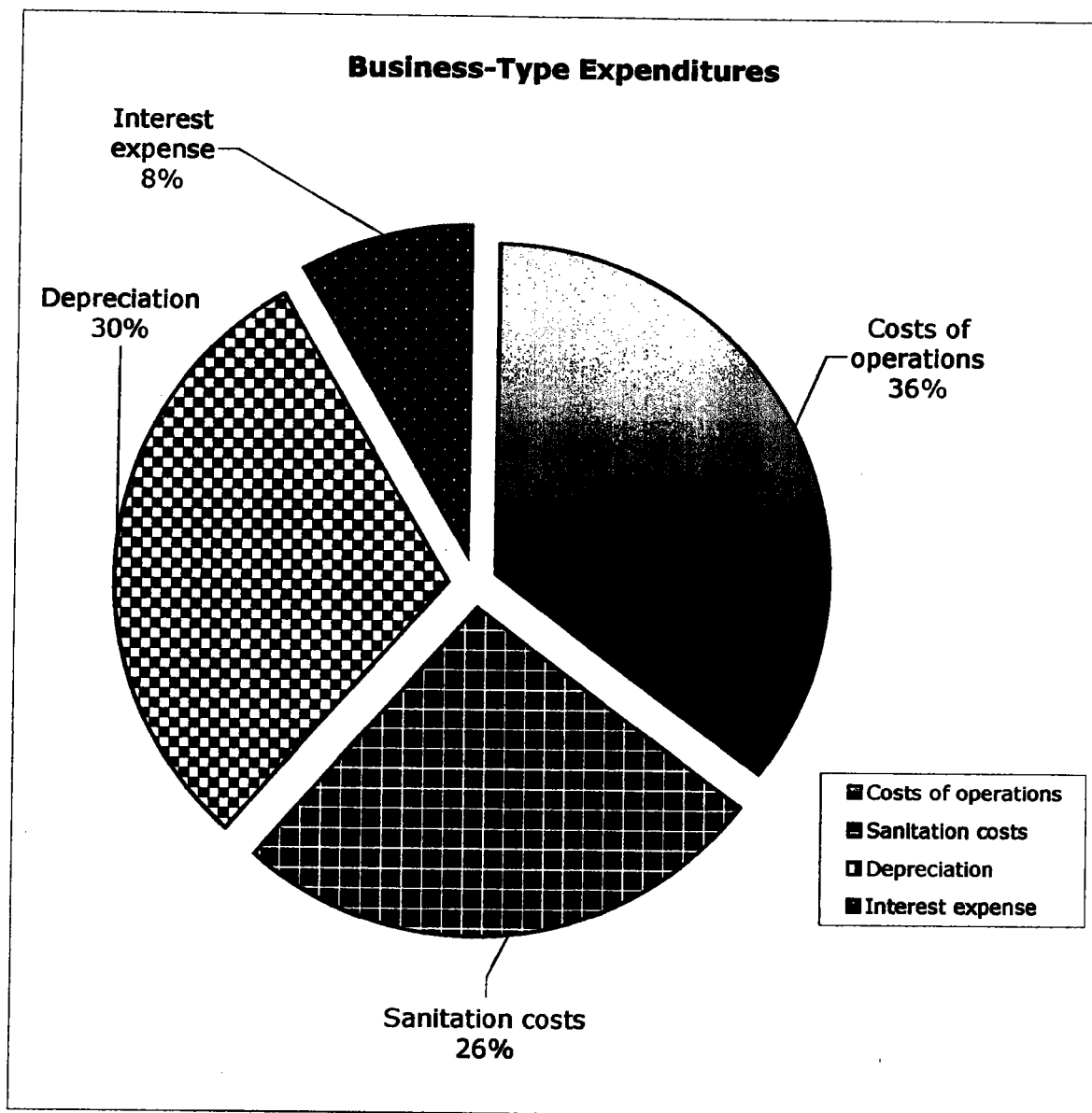
**Mayfield Town
Business-Type Revenues
For the Fiscal Year Ended June 30, 2005**

Water Fees	68,699
Sanitation Fees	22,784
Fire Protection Fees	2,141
Other	13,130
Franchise Fees	2,893
Impact Fees	21,500
Interest Earnings	<u>3,813</u>
 Total Expenditures	 <u><u>134,960</u></u>



**Mayfield Town
Business-Type Expenditures
For The Fiscal Year Ended June 30, 2005**

Costs of operations	32,768
Sanitation costs	24,171
Depreciation	28,110
Interest expense	<u>7,661</u>
Total Expenditures	<u><u>92,710</u></u>



(This page contains no information and
is used to assist in formatting, for easier reading)

BASIC FINANCIAL STATEMENTS

MAYFIELD TOWN
STATEMENT OF NET ASSETS
June 30, 2005

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	80,794	118,772	199,566
Accounts Receivable (Net)	-	1,403	1,403
Total Current Assets	80,794	120,175	200,969
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	160,989	44,061	205,050
Capital Assets (Net of Accumulated Depreciation):			
Water Rights	-	20,000	20,000
Land	30,200	40,000	70,200
Buildings	248,714	2,522	251,236
Improvements Other Than Buildings	20,520	882,283	902,803
Equipment	30,266	-	30,266
Infrastructure	124,000	-	124,000
Total Noncurrent Assets	614,689	988,866	1,603,555
TOTAL ASSETS	695,483	1,109,041	1,804,524
LIABILITIES			
Current Liabilities:			
Bond Interest Payable	-	2,371	2,371
Revenue Bonds Payable - Due Within One Year	5,000	36,459	41,459
Total Current Liabilities	5,000	38,830	43,830
Noncurrent Liabilities:			
Revenue Bonds Payable - More Than One Year	85,000	266,428	351,428
Total Noncurrent Liabilities	85,000	266,428	351,428
TOTAL LIABILITIES	90,000	305,258	395,258
NET ASSETS			
Investment in Capital Assets, Net of Debt	363,700	639,547	1,003,247
Restricted For:			
Bond Retirement	2,500	44,061	46,561
ClassC Road	58,000	-	58,000
Town Cabin	1,856	-	1,856
Town Building	5,943	-	5,943
Impact Fees	-	21,740	21,740
Perpetual Care	92,690	-	92,690
Unrestricted	80,794	98,435	179,229
TOTAL NET ASSETS	605,483	803,783	1,409,266
TOTAL LIABILITIES AND NET ASSETS	695,483	1,109,041	1,804,524

See accompanying notes and accountant's report.

**MAYFIELD TOWN
STATEMENT OF ACTIVITIES**

For The Fiscal Year Ended June 30, 2005

Function/Programs Primary Government:	Program Revenues			Net (Expense) Revenues and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions	Primary Government
					Governmental Activities Business-Type Activities Total
Governmental Activities:					
General Government	72,699	11,435	-	-	(61,264) - (61,264)
Public Safety	5,812	-	-	-	(5,812) - (5,812)
Highways and Public Improvements	16,955	-	25,666	-	8,711 - 8,711
Parks and Recreation	7,972	5,220	-	-	(2,752) - (2,752)
Cemetery	5,004	1,791	-	-	(3,213) - (3,213)
Interest on Long-Term Debt	250	-	-	-	(250) - (250)
Total Governmental Activities	108,692	18,446	25,666	-	(64,580) - (64,580)
Business-Type Activities:					
Water, Sanitation and Fire Protection	92,710	131,147	-	-	- 38,437 38,437
Total Primary Government	201,402	149,593	25,666	-	(64,580) 38,437 (26,143)
General Revenues:					
Property Taxes					12,173 - 12,173
Fee-In-Lieu of Property Taxes					3,863 - 3,863
Sales Taxes					32,411 - 32,411
Unrestricted Investment Earnings					3,519 3,813 7,332
Total General Revenues and Transfers					51,966 3,813 55,779
Change in Net Assets					(12,614) 42,250 29,636
Net Assets - Beginning					618,097 761,533 1,379,630
Net Assets - Ending					605,483 803,783 1,409,266

See accompanying notes and accountant's report.

**MAYFIELD TOWN
BALANCE SHEET
GOVERNMENTAL FUNDS**

For The Fiscal Year Ended June 30, 2005

	<u>General Fund</u>	<u>Municipal Building Authority</u>	<u>Non-Major Perpetual Care Permanent Fund</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents				
Unrestricted	140,650	5,943	-	146,593
Restricted:				
Bond Reserves	2,500	-	-	2,500
Perpetual Care	-	-	92,690	92,690
 TOTAL ASSETS	 <u><u>143,150</u></u>	 <u><u>5,943</u></u>	 <u><u>92,690</u></u>	 <u><u>241,783</u></u>
 LIABILITIES AND FUND BALANCES				
 Liabilities	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Total Liabilities	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund Balances:				
Reserved For:				
Bond Retirement	2,500	-	-	2,500
Class C Road	58,000	-	-	58,000
Perpetual Care	-	-	92,690	92,690
Town Cabin	1,856	-	-	1,856
Town Building	-	5,943	-	5,943
Unreserved	<u>80,794</u>	<u>-</u>	<u>-</u>	<u>80,794</u>
 Total Fund Balance	 <u><u>143,150</u></u>	 <u><u>5,943</u></u>	 <u><u>92,690</u></u>	 <u><u>241,783</u></u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>143,150</u></u>	 <u><u>5,943</u></u>	 <u><u>92,690</u></u>	 <u><u>241,783</u></u>

See accompanying notes and accountant's report.

MAYFIELD TOWN
BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS

June 30, 2005

Total Fund Balances - Governmental Fund Types	241,783
---	---------

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resource and, therefore, are not reported in the funds.

Land	30,200	
Buildings	248,714	
Improvements	20,520	
Equipment	30,266	
Infrastructure	<u>124,000</u>	
Total		453,700

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Revenue Bonds	<u>(90,000)</u>
---------------	-----------------

Net Assets of Government Activities	<u><u>605,483</u></u>
-------------------------------------	-----------------------

MAYFIELD TOWN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For The Fiscal Year Ended June 30, 2005

	<u>General Fund</u>	<u>Municipal Building Authority</u>	<u>Non-Major Perpetual Care Permanent Fund</u>	<u>Total</u>
Revenues:				
Taxes	48,828			48,828
Licenses and Permits	904	-	-	904
Intergovernmental Revenue	25,666	-	-	25,666
Charges for Services	7,011	-	-	7,011
Perpetual Care	-	-	1,100	1,100
Interest	2,629	890	-	3,519
Miscellaneous Revenues	1,400	7,650	-	9,050
	<u>86,438</u>	<u>8,540</u>	<u>1,100</u>	<u>96,078</u>
Total Revenues				
	<u>86,438</u>	<u>8,540</u>	<u>1,100</u>	<u>96,078</u>
Expenditures:				
Current:				
General Government	40,928	-	-	40,928
Public Safety	5,812	-	-	5,812
Highways and Public Improvements	15,412	-	-	15,412
Parks and Recreation	5,902	-	-	5,902
Cemetery	4,434	-	-	4,434
Capital Outlay	-	21,931	-	21,931
Debt Service:				
Principal	-	5,250	-	5,250
	<u>72,488</u>	<u>27,181</u>	<u>-</u>	<u>99,669</u>
Total Expenditures				
	<u>72,488</u>	<u>27,181</u>	<u>-</u>	<u>99,669</u>
Net Change In Fund Balance	13,950	(18,641)	1,100	(3,591)
Fund Balance - Beginning	129,200	24,584	91,590	245,374
Fund Balance - Ending	<u>143,150</u>	<u>5,943</u>	<u>92,690</u>	<u>241,783</u>

See accompanying notes and accountant's report.

MAYFIELD TOWN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For The Fiscal Year Ended June 30, 2005

Amounts reported for governmental activities in the statement of activities
are different because:

Net Changes in Fund Balances - Total Governmental Funds	(3,591)
---	---------

Governmental funds report capital outlays as expenditures. However, in
the statement of activities the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense. This is the
amount by which capital outlays exceeded depreciation in the current period:

Depreciation Expense	(14,023)
----------------------	----------

The issuance of long-term debt (e.g., bonds, leases) provide current financial
resources to governmental funds, while the repayment of the principal of
long-term debt consumes the current financial resources of governmental
funds. Neither transaction, however, has any effect on net assets. This
amount is the net effect of these differences in the treatment of long-term
debt and related items:

Principal Payment on Bonds	<u>5,000</u>
----------------------------	--------------

Changes In Net Assets of Governmental Activities	<u><u>(12,614)</u></u>
--	------------------------

**MAYFIELD TOWN
STATEMENT OF NET ASSETS
PROPRIETARY FUND**

June 30, 2005

	<u>Business-Type Activity Enterprise Fund</u>
	<u>Utility Fund</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	118,772
Accounts Receivable	<u>1,403</u>
Total Current Assets	<u>120,175</u>
Noncurrent Assets:	
Investments - Restricted:	
Bond Reserves	44,061
Capital Assets: (Net of Accumulated Depreciation)	
Water Rights	20,000
Land	40,000
Buildings	2,522
Improvements Other Than Buildings	<u>882,283</u>
Total Noncurrent Assets	<u>988,866</u>
TOTAL ASSETS	<u>1,109,041</u>
LIABILITIES:	
Current Liabilities:	
Bond Interest Payable	2,371
Bonds Payable - Current Portion	<u>36,459</u>
Total Current Liabilities	<u>38,830</u>
Noncurrent Liabilities:	
Bonds Payable - Long-Term Portion	<u>266,428</u>
TOTAL LIABILITIES	<u>305,258</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	639,547
Restricted for Bond Reserves	44,061
Restricted for Impact Fees	21,740
Unrestricted	<u>98,435</u>
TOTAL NET ASSETS	<u>803,783</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>1,109,041</u></u>

See accompanying notes and accountant's report.

MAYFIELD TOWN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND

June 30, 2005

	Business-Type Activity <u>Enterprise Fund</u>
	<u>Utility Fund</u>
Operating Revenues:	
Charges for Services:	
Water Fees	64,324
Sanitation Fees	22,784
Fire District Fees	2,141
Connection Fees	4,375
Other	<u>13,130</u>
Total Operating Revenues	<u>106,754</u>
Operating Expenses:	
Costs of Operations	32,768
Sanitation Costs	24,171
Depreciation	<u>28,110</u>
Total Operating Expenses	<u>85,049</u>
Operating Income	<u>21,705</u>
Nonoperating Revenues (Expenses):	
Franchise Fees	2,893
Impact Fees	21,500
Investment Earnings	3,813
Interest Expense	<u>(7,661)</u>
Total Nonoperating Revenues (Expenses)	<u>20,545</u>
Change in Net Assets	42,250
Total Net Assets - Beginning	<u>761,533</u>
Total Net Assets - Ending	<u><u>803,783</u></u>

See accompanying notes and accountant's report.

**MAYFIELD TOWN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND**

June 30, 2005

	<u>Business-Type Activity Enterprise Fund</u>
	<u>Utility Fund</u>
Cash Flows From Operating Activities:	
Receipts From Customers	106,852
Payments to Suppliers	(44,332)
Payments to Employees	(12,900)
	<u>49,620</u>
Cash Flows From Capital and Related Financing Activities:	
Impact Fees	21,500
Franchise Fees	2,893
Principal Paid on Capital Debt	(35,827)
Interest Paid on Long-Term Debt	(7,660)
	<u>(19,094)</u>
Cash Flows from Investing Activities:	
Interest Received	3,813
	<u>3,813</u>
Net Increase (Decrease) in Cash and Cash Equivalents	34,339
Cash and Cash Equivalents - Beginning	128,494
Cash and Cash Equivalents - Ending	<u>162,833</u>
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:	
Operating Income	21,705
Adjustments to Reconcile Operating Income to Net Cash Provided Provided (Used) By Operating Activities:	
Depreciation	28,110
Increase (Decrease) In Operating Assets:	
Accounts Receivable	98
Accrued Liabilities	(293)
Total Adjustments	<u>27,915</u>
Net Cash Provided (Used) by Operating Activities	<u>49,620</u>

See accompanying notes and accountant's report.

**MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS**

June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Mayfield Town conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

The accompanying basic financial statements present the financial position of various fund types and the results of operations of the various fund types. The basic financial statements are presented for the year ended June 30, 2005.

The following is a summary of the more significant policies:

A. Reporting Entity

Mayfield Town is a municipal corporation in Sanpete County, Utah. It is governed by an elected Mayor and four member board. As required by generally accepted accounting principles, these financial statements are of the primary government, Mayfield Town, the reporting entity. The Town has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Mayfield Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Municipal Building Authority receives rents from the General Fund for the use of the Town hall. It uses these funds to make the debt payments on the building.

The government also reports the following non-major governmental fund:

The Perpetual Care Permanent Fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the cemetery.

The Government reports the following Proprietary Funds:

The enterprise fund accounts for the activities of the Town culinary water operations, collections for sanitation services and fire protection. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments:

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Water Systems	40 - 50 Years
Building	20 - 30 Years
Equipment	10 - 20 Years

Long-Term Obligations:

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

E. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Budgets and Budgetary Accounting:

The governing body of the entity shall establish the time and place of the public hearing to consider the adoption of the budget and shall publish notice of the hearing at least seven days prior to the hearing (no time period given for towns) in at least one issue of the newspaper of general circulation published within the County in which the entity is located. If no such newspaper is published, the required notice may be posted in three public places within the entity's jurisdiction.

MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The tentative budget must be made available to the public for inspection for a number of days, as provided by law, prior to the budget hearing.

1. On or before the first regularly scheduled meeting of the Town Council in the month of May, the mayor prepares a tentative budget for the next budget year.
2. After a public notice has been published, a public hearing is then held on the adoption of the budget.
3. After the public hearing, the Town Council makes final adjustments to the tentative budget.
4. On or before June 22, the Town Council adopts the budget by resolution or ordinance and sets the tax rate for taxes.
5. The budget officer may transfer unexpended budgeted amounts within departments.
6. The Town Council may transfer unexpended budgeted amounts from one department in a fund to another department in the same fund by resolution.
7. The total budget appropriation of any governmental fund may be increased only after a public hearing has been held and followed by resolution of the Town Council.
8. Proprietary Fund budgets may be increased without a public hearing by resolution of the Town Council.
9. Budgets for the General fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The appropriated budget is prepared by fund, function and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level.

The Fiscal Procedures Act for Utah Towns require local municipalities to restrict expenditures to authorized departmental budgets. The combined statement of revenues, expenditures and changes in fund balance - budget and actual identifies the departments and funds which have overexpended budgeted amounts if any and, therefore, do not comply with appropriate fiscal procedures.

MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property Tax Calendar

- | | |
|-------------|--|
| January 1 | Lien Date - All property appraised based upon situs and status as of this date (real and personal). |
| March 1 | Calendar year taxing entities must inform the County of the date, time and place of the budget hearing for the next fiscal year for inclusion with tax notice. |
| June 22 | All taxing entities to adopt tentative budgets and proposed tax rates and report them to the county auditor. |
| July 22 | County auditor to prepare and mail Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners or in the event that Notices of Valuation and Tax Changes are not required, the county auditor is to compute taxes and the county treasurer is to mail tax notices. |
| September 1 | State Tax Commission approves tax rates. |
| November 1 | County auditor is to deliver the equalized assessment roll to the county treasurer with affidavit. |
| November 1 | County auditor to charge the county treasurer to account for all taxes levied. |
| November 1 | County treasurer to mail tax notices. Tax notices for calendar year entities include notice of budget hearings. |
| November 30 | Taxes on real property become delinquent. |

NOTE 2 - DEPOSITS AND INVESTMENTS

Mayfield Town maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents".

Deposits:

Mayfield Town's deposits in bank accounts at June 30, 2005, was \$128,767. Of this amount \$100,000 was insured by federal depository insurance. The book balance at June 30, 2005, was \$124,387. Utah State statutes do not require deposits to be collateralized, however, financial institutions must be approved by the State Money Management Council.

MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2005

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments:

Statutes authorize the Town to invest in obligations of the U. S. Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standards & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and State Treasurer's Investment Pool. The Town is also authorized to enter into reverse repurchase agreements. At year end, the Town had invested \$274,286 with the Utah State Treasurer's Pool.

The Town's investments are categorized below to give an indication of the risk assumed by the Town at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Town in the Town's name, and includes deposits collateralized by securities held by the Town in the Town's name. Category 2 includes uninsured and unregistered investments for which the investments are held by a broker or dealer in the Town's name, and includes deposits collateralized by securities held by the pledging institution in the Town's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer but not in the Town's name, and includes deposits not insured or collateralized.

Investments at June 30, 2005, consisted of the following:

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Fair Value/ Carrying Amount</u>
Investments	<u>-</u>	<u>-</u>	<u>-</u>	5,943
Other Items:				
State Treasurer's Investment Pool				<u>274,286</u>
Total				<u><u>280,229</u></u>

The Utah Public Treasurer's Investment Fund is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. These monies are invested primarily in money market securities and contain no withdrawal restrictions. As such, the monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds.

Cash is reflected in the financial statements as follows:

Governmental Activities	241,783
Business-Type Activities	<u>162,833</u>
Total	<u><u>404,616</u></u>

MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2005

NOTE 3 - BOND RESERVES

Mayfield Town is required to deposit into a emergency repair and replacement fund, in connection with their 1988 Series A and B bond issue:

- | | |
|--|---------------|
| 1. Reserve Fund - Requires payments of \$215.87 per month for 120 months which would be \$25,904.85. Fully funded as of June 30, 2005. | <u>25,905</u> |
|--|---------------|

Mayfield Town is required to deposit into two reserve funds in connection with the 1976 bond issue:

- | | |
|--|--------------|
| 1. Water Reserve Fund - \$47.00 per month until it reaches a Maximum of \$5,556. Fully funded. | 5,556 |
| 2. Emergency Reserve Fund - \$25.00 per month until it reaches a Maximum of \$2,500. Fully funded. | <u>2,500</u> |
| Total Funded as of June 30, 2005 | <u>8,056</u> |

In connection with the issuance of the Series 2000 Water Revenue Bonds, the following reserves are required:

- | | |
|--|---------------|
| 1. Capital Facilities Replacement Fund - Requires annual payments equal to 5% of the annual operating budget including debt service and depreciation. Balance at June 30, 2005, was \$8,000. | 8,000 |
| 2. Reserve Fund - Requires annual payments equal to 1/10th of annual maximum installment payment. Balance at June 30, 2005, was \$2,100. | <u>2,100</u> |
| Total Funded as of June 30, 2005 | <u>10,100</u> |

With the issuance of the Municipal Building Authority \$100,000 Lease Revenue Bond, Series 2001 the following bond reserve is required:

- | | |
|---|----------------------|
| 1. Bond Reserve Fund - Requires 1/6th of the annual payment of \$5,000, or \$8333.33, be set aside annually into a bond reserve fund until it reaches a maximum of \$5,000. Balance at June 30, 2005 was \$2,500. | <u>2,500</u> |
| Total Bond Reserves | <u><u>46,561</u></u> |

MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2005

NOTE 4 - IMPACT FEES - WATER

Effective June 11, 1997, the Town adopted an impact fee ordinance for Water as follows:

Except as provided in the ordinance and any amendment to the ordinance the Town will impose impact fees as a condition of approval of all new development projects. No tentative or final subdivision map, parcel map, grading permit, building permit, final inspection, or certificate of occupancy, or other development permit, may be approved unless the impact fee has been imposed.

Until and unless modified by a subsequent resolution by the Town council, an impact fee of \$2,400 shall be imposed with respect to any new development to be connected to the System.

The Town is required to place these impact fees into a separate interest bearing account and may expend these funds only on capital improvements, retiring debt for the system, or other expenditures as allowed by law.

These funds must be expended within six years from receipt or the funds must be returned with interest to the payer.

The following is an accounting of impact fees collected, interest earned and funds expended:

	<u>Amount</u>	<u>Interest</u>	<u>Total</u>
December 1997	4,800.00	134.00	4,934.00
June 1998	2,400.00	274.09	2,674.09
June 1999	2,400.00	304.45	2,704.45
June 2000	13,000.00	540.00	13,540.00
June 2001	9,600.00	36.00	9,636.00
June 2002	4,800.00	24.00	4,824.00
June 2003	4,800.00	12.62	4,812.62
June 2004	-	-	-
June 2005	<u>21,500.00</u>	<u>239.50</u>	<u>21,739.50</u>
Totals	63,300.00	1,564.66	64,864.66
Total Expenditures	<u>(41,800.00)</u>	<u>(1,325.16)</u>	<u>(43,125.16)</u>
Balance June 2005	<u>21,500.00</u>	<u>239.50</u>	<u>21,739.50</u>

MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2005

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	30,200	-	-	30,200
Infrastructure	<u>124,000</u>	<u>-</u>	<u>-</u>	<u>124,000</u>
 Total Capital Assets Not Being Depreciated	<u>154,200</u>	<u>-</u>	<u>-</u>	<u>154,200</u>
 Capital Assets Being Depreciated:				
Buildings	272,800	-	-	272,800
Improvements Other Than Buildings	22,800	-	-	22,800
Machinery and Equipment	<u>50,400</u>	<u>-</u>	<u>-</u>	<u>50,400</u>
 Total Capital Assets Being Depreciated	<u>346,000</u>	<u>-</u>	<u>-</u>	<u>346,000</u>
 Less Accumulated Depreciation For:				
Buildings	14,993	9,093	-	24,086
Improvements Other Than Buildings	1,140	1,140	-	2,280
Machinery and Equipment	<u>16,344</u>	<u>3,790</u>	<u>-</u>	<u>20,134</u>
 Total Accumulated Depreciation	<u>32,477</u>	<u>14,023</u>	<u>-</u>	<u>46,500</u>
 Total Capital Assets Being Depreciated (Net)	<u>313,523</u>	<u>(14,023)</u>	<u>-</u>	<u>299,500</u>
 Governmental Activities Capital Assets, Net	<u>467,723</u>	<u>(14,023)</u>	<u>-</u>	<u>453,700</u>

MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2005

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Not Being Depreciated:				
Land	40,000	-	-	40,000
Water Rights	20,000	-	-	20,000
Total Capital Assets Not Being Depreciated	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Capital Assets Being Depreciated:				
Buildings	4,300	-	-	4,300
Improvements Other Than Buildings	1,302,273	-	-	1,302,273
Total Capital Assets Being Depreciated	<u>1,306,573</u>	<u>-</u>	<u>-</u>	<u>1,306,573</u>
Less Accumulated Depreciation For:				
Buildings	1,636	142	-	1,778
Improvements Other Than Buildings	392,022	27,968	-	419,990
Total Accumulated Depreciation	<u>393,658</u>	<u>28,110</u>	<u>-</u>	<u>421,768</u>
Total Capital Assets Being Depreciated (Net)	<u>912,915</u>	<u>(28,110)</u>	<u>-</u>	<u>884,805</u>
Business Type Activities Capital Assets, Net	<u>972,915</u>	<u>(28,110)</u>	<u>-</u>	<u>944,805</u>

MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2005

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the Primary Government as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
General Government	9,840	28,110	37,950
Highways and Public Improvements	1,543	-	1,543
Cemetery	570	-	570
Parks and Recreation	2,070	-	2,070
	<u>14,023</u>	<u>28,110</u>	<u>42,133</u>
Total Depreciation Expense	<u>14,023</u>	<u>28,110</u>	<u>42,133</u>

NOTE 6 - LONG-TERM DEBT

General Long-Term Debt

Municipal Building Authority Lease Revenue Bonds:

On June 13, 2001, the Town council of Mayfield Town organized and incorporated the Municipal Building Authority of Mayfield Town, Inc. under the "Utah Non-Profit Corporation and Cooperative Association Act", (Article 2, Chapter 6, Title 16, Utah Code Annotated, 1953 is amended) to accomplish the public purposes for which the Town exists by acquiring, improving, or extending one or more projects and financing the costs thereof on behalf of the Town.

During the fiscal year 2002-2003 the Mayfield Town Municipal Building Authority issued \$100,000 of Lease Revenue Bonds, Series 2001 to the Community Impact Board for the purpose of constructing a new Town Community Center. The interest rate is 0%, payments of \$5,000 annually for 20 years beginning March 1, 2004. The following is an amortization of these bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	5,000	-	5,000
2007	5,000	-	5,000
2008	5,000	-	5,000
2009	5,000	-	5,000
2010	5,000	-	5,000
2011-2015	25,000	-	25,000
2016-2020	25,000	-	25,000
2021-2023	15,000	-	15,000
	<u>90,000</u>	<u>-</u>	<u>90,000</u>
Total	<u>90,000</u>	<u>-</u>	<u>90,000</u>

MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2005

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Proprietary Long-Term Debt

1976 Water and Sewer Revenue Bonds:

In 1976 the Town issued a revenue bond that was purchased by Farmers Home Administration. The total bonds issue was \$95,000 at 5% interest beginning in 1976 and final payment due in 2016.

The following is an amortization of these bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	3,338	2,218	5,556
2007	3,505	2,051	5,556
2008	3,680	1,876	5,556
2009	3,864	1,692	5,556
2010	4,057	1,499	5,556
2011-2015	23,539	4,242	27,781
2016-2020	<u>2,383</u>	<u>119</u>	<u>2,502</u>
Total	<u>44,366</u>	<u>13,697</u>	<u>58,063</u>

1988 Series A Parity and Subordinated Water Revenue Bonds:

In 1988 the town sold \$350,000 of Series A Parity and Subordinated Water Revenue Bonds to the Community Impact Board with an interest rate of 2%. The payments of principal and interest are \$21,405 beginning in 1988 with final payment in 2009.

The following is an amortization of these bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	19,799	1,606	21,405
2007	20,195	1,210	21,405
2008	20,599	806	21,405
2009	<u>19,701</u>	<u>394</u>	<u>20,095</u>
Total	<u>80,294</u>	<u>4,016</u>	<u>84,310</u>

**MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

NOTE 6 - LONG-TERM DEBT (CONTINUED)

1988 Series B Parity and Subordinated Water Revenue Bonds:

In 1988 the Town sold \$75,000 of Series B Parity and Subordinated Water Revenue Bonds to the Community Impact Board with an interest rate of 2%. The payments of principal and interest are \$4,587 beginning in 1988 with final payment in 2008.

The following is an amortization of these bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	4,322	265	4,587
2007	4,409	178	4,587
2008	4,496	90	4,586
Total	<u>13,227</u>	<u>533</u>	<u>13,760</u>

Series 2000 Parity Water Revenue Bonds:

Mayfield Town obtained a \$200,000 Parity Water Revenue Bond, Series 2000, sold to the Utah Drinking Water Board on August 1, 2000. The Town also received a \$100,000 grant from the Utah Drinking Water Board. These proceeds were used to drill a new culinary water well for the Town. The total cost of the well was \$358,383.

The \$200,000 Parity Water Revenue Bonds, Series 2000, have an interest rate of 1.69% per annum. Payments of principal and interest will be due January 1st of each year for twenty years.

The following is an amortization of these Parity Water Revenue Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	9,000	2,789	11,789
2007	9,000	2,636	11,636
2008	9,000	2,484	11,484
2009	9,000	2,332	11,332
2010	10,000	2,180	12,180
2011-2015	51,000	8,365	59,365
2016-2020	56,000	3,887	59,887
2021-2025	12,000	203	12,203
Total	<u>165,000</u>	<u>24,876</u>	<u>189,876</u>

MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2005

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is a schedule of changes in bonds payable:

Bond Issue:	Date of Issue	Interest Rate	Total Authorized	Outstanding June 30, 2004	Current Year Changes		Outstanding June 30, 2005
					Issued	Matured	
General Long-Term Debt:							
Series 2001 Lease Revenue Bonds	2002	0%	100,000	95,000	-	5,000	90,000
Proprietary Long-Term Debt:							
Revenue Bonds - Water and Sewer	1976	5%	95,000	47,544	-	3,178	44,366
Series A Parity and Subordinated Water Revenue bonds - 1988	1988	2%	350,000	99,705	-	19,411	80,294
Series B Parity and Subordinated Water Revenue bonds - 1988	1988	2%	75,000	17,464	-	4,237	13,227
Parity Water Revenue Bonds - Series 2000	2000	1.69%	200,000	174,000	-	9,000	165,000
Total Proprietary Long-Term Debt				338,713	-	35,826	302,887
Total Long-Term Debt				433,713	-	40,826	392,887

MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2005

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is an amortization of total long-term debt payable:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	41,459	6,878	48,337
2007	42,109	6,075	48,184
2008	42,775	5,256	48,031
2009	37,565	4,418	41,983
2010	19,057	3,679	22,736
2011-2015	99,539	12,607	112,146
2016-2020	83,383	4,006	87,389
2021-2025	27,000	203	27,203
Total	<u>392,887</u>	<u>43,122</u>	<u>436,009</u>

NOTE 7 - CLASS "C" ROAD

The following is a schedule of receipts and disbursements in Class "C" Roads:

Balance - Beginning of Year	40,669
Receipts:	
State of Utah	25,666
Interest	<u>1,475</u>
Total Receipts	27,141
Disbursements:	
Road Maintenance	<u>(9,810)</u>
Balance - End of Year	<u>58,000</u>

NOTE 8 - CEMETERY PERPETUAL CARE

The following is a schedule of receipts and disbursements in Cemetery Perpetual Care:

Balance - Beginning of Year	91,590
Receipts:	
Contributions - Residents	1,100
Disbursements	<u>-</u>
Balance - End of Year	<u>92,690</u>

MAYFIELD TOWN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2005

NOTE 9 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The town participates in the Utah Local Governments Trust. The insurance coverage's are written on a group purchase arrangement. All of the insurance coverage is brokered and written through various insurance companies. Utah Local Government Trust acts as the broker.

Liability:

The Town is insured for \$1,000,000 combined single limit with no deductible per occurrence for Comprehensive General Liability. Bodily injury, personal injury, property damage, public officials errors and omissions coverage \$1,000,000 aggregate each policy period with no deductible each accident.

Automobile Liability:

The Town is insured for automobile bodily injury for \$1,000,000 combined single limit per accident with no deductible each accident. Property damage \$1,000,000 aggregate each policy period. The coverage also covers uninsured motorist \$50,000 each accident and \$50,000 each policy period.

Property:

All of the property coverage is insured through Utah Local Government Trust. Buildings and equipment are covered based on replacement costs subject to a \$1,000 deductible.

Workers Compensation:

This coverage is provided through the Workers Compensation Fund of Utah.

The Town has not experienced any significant reduction in insurance coverage from the previous year nor has it paid any settlements in excess of insurance coverage in the past three fiscal years.

NOTE 10 - UTAH STATE RETIREMENT PLANS

Mayfield Town, Inc. does not participate in the Utah State Retirement Plan nor does it participate in any other retirement plan.

(This page contains no information and
is used to assist in formatting, for easier reading)

**REQUIRED SUPPLEMENTARY
INFORMATION
"UNAUDITED"**

(This page contains no information and
is used to assist in formatting, for easier reading)

MAYFIELD TOWN
CONDITION RATING OF THE TOWN'S ROAD SYSTEM

For The Fiscal Year Ended June 30, 2005

Percentage of Lane-Miles in Good or Better Condition:

	<u>2004</u>	<u>2005</u>
Paved	95	96
Gravel	100	97
Overall System	95	97

Percentage of Lane-Miles in Substandard Condition:

	<u>2004</u>	<u>2005</u>
Paved	5	4
Overall System	5	4

Comparison of Needed-to-Actual Maintenance/Preservation - Roads and Bridges:

	<u>2004</u>	<u>2005</u>
Estimated	10,491	12,000
Actual	10,491	12,000

The condition of road pavement is measured using the American... (AASHTO) pavement management system, which is based on stress factors found in pavement surfaces. The AASHTO pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in good condition (70-100), fair condition (50-69), and substandard condition (less than 50). It is the Town's policy to maintain at least 60 percent of its road system at a good or better condition level. No more than 15 percent should be in substandard condition. Condition assessments are determined every year.

This schedule only presents the information for the last year. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for 5 years. However, the Town implemented these new standards in 2004, and did not collect this information for the prior years. The Town will continue to collect and retain this information so that over a period of five years it will be able to report the required information.

**MAYFIELD TOWN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, 2004	<u>129,200</u>	<u>129,200</u>	<u>129,200</u>	<u>-</u>
Resources (Inflows):				
Taxes:				
General Property Taxes	11,500	11,500	11,063	(437)
Delinquent Prior Years Taxes	500	500	1,110	610
Sales and Use Taxes	28,500	28,500	32,411	3,911
Fee-In-Lieu	3,700	3,700	3,863	163
Franchise Fees	-	-	381	381
Total Taxes	<u>44,200</u>	<u>44,200</u>	<u>48,828</u>	<u>4,628</u>
Licenses and Permits:				
Business Licenses and Permits	700	700	264	(436)
Non-Business Licenses and Permits	150	150	640	490
Total Licenses and Permits	<u>850</u>	<u>850</u>	<u>904</u>	<u>54</u>
Intergovernmental Revenue:				
Class C Road	29,000	29,000	25,666	(3,334)
State Liquor Allotment	300	300	-	(300)
Total Intergovernmental Revenue	<u>29,300</u>	<u>29,300</u>	<u>25,666</u>	<u>(3,634)</u>
Charges for Services:				
Cemeteries	500	500	1,791	1,291
Miscellaneous	900	900	4,120	3,220
Total Charges for Services	<u>1,400</u>	<u>1,400</u>	<u>5,911</u>	<u>4,511</u>
Miscellaneous Revenue:				
Interest Earnings	1,500	1,500	2,629	1,129
Rents and Concessions	2,100	2,100	2,500	400
Use of Surplus	27,231	35,491	-	(35,491)
Total Miscellaneous Revenue	<u>30,831</u>	<u>39,091</u>	<u>5,129</u>	<u>(33,962)</u>
Amounts Available for Appropriation	<u>235,781</u>	<u>244,041</u>	<u>215,638</u>	<u>(28,403)</u>

**MAYFIELD TOWN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For The Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges to Appropriations (Outflows):				
General Government:				
Administration	22,000	24,500	22,861	1,639
Professional Services	2,100	2,100	1,500	600
Rent	5,200	7,760	5,503	2,257
Town Hall	2,500	5,000	10,151	(5,151)
Other	2,200	2,200	913	1,287
Total General Government	<u>34,000</u>	<u>41,560</u>	<u>40,928</u>	<u>632</u>
Public Safety:				
Police	500	500	97	403
Fire	6,500	6,500	5,715	785
Total Public Safety	<u>7,000</u>	<u>7,000</u>	<u>5,812</u>	<u>1,188</u>
Highways and Streets				
Repair and Maintenance	43,881	43,881	9,810	34,071
Street Lights	4,700	5,400	5,602	(202)
Total Highways and Streets	<u>48,581</u>	<u>49,281</u>	<u>15,412</u>	<u>33,869</u>
Cultute and Recreation:				
Recreation	2,500	2,500	1,841	659
Parks	7,000	7,000	4,061	2,939
Cemetery	7,500	7,500	4,434	3,066
Total Cultute and Recreation	<u>17,000</u>	<u>17,000</u>	<u>10,336</u>	<u>6,664</u>
Total Charges to Appropriations	<u>106,581</u>	<u>114,841</u>	<u>72,488</u>	<u>42,353</u>
Budgetary Fund Balance - June 30, 2005	<u>129,200</u>	<u>129,200</u>	<u>143,150</u>	<u>13,950</u>

**MAYFIELD TOWN
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL BUILDING AUTHORITY**

For The Fiscal Year Ended June 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, 2004	24,584	24,584	24,584	-
Resources (Inflows):				
Charges for Services	5,250	5,250	7,650	2,400
Interest Earnings	-	-	890	890
Use of Fund Balance	<u>2,616</u>	<u>2,616</u>	<u>-</u>	<u>(2,616)</u>
Amounts Available for Appropriation	<u>32,450</u>	<u>32,450</u>	<u>33,124</u>	<u>674</u>
Charges to Appropriations (Outflows):				
General Government	250	250	-	250
Debt Service	5,000	5,000	5,250	(250)
Capital Outlay	<u>2,616</u>	<u>2,616</u>	<u>21,931</u>	<u>(19,315)</u>
Total Charges to Appropriations	<u>7,866</u>	<u>7,866</u>	<u>27,181</u>	<u>(19,315)</u>
Budgetary Fund Balance - June 30, 2005	<u><u>24,584</u></u>	<u><u>24,584</u></u>	<u><u>5,943</u></u>	<u><u>(18,641)</u></u>

**MAYFIELD TOWN
NOTE A
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION**

For The Fiscal Year Ended June 30, 2005

	<u>General Fund</u>	<u>Municipal Building Authority</u>
Sources/Inflows and Resources:		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedules.	215,638	33,124
Differences - Budget to GAAP:		
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	<u>(129,200)</u>	<u>(24,584)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>86,438</u>	<u>8,540</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary Basis "total charges to appropriations" from the budgetary comparison schedules.	72,488	27,181
Differences - Budget to GAAP:		
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting pruposes.	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>72,488</u>	<u>27,181</u>